

Skilled nursing facility payment adequacy and update

ISSUE: Each year MedPAC recommends to the Congress a payment update for the coming year for skilled nursing facilities (SNFs). The Commission uses information on changes in quality, entry and exit of providers, changes in volume, beneficiaries' access to care, access to capital, and the relationship between Medicare's payment and costs, in evaluating the adequacy of Medicare's current SNF payment rates.

KEY POINTS: We will present information from the most recent available data on each of the factors the Commission uses to evaluate the adequacy of Medicare's current SNF payment rates. We also provide an overview of quality measures appropriate for skilled nursing facility patients and point to the need for additional measures.

ACTION: Staff would appreciate feedback from Commissioners on the draft of the SNF payment adequacy chapter for the March 2005 report and the draft SNF update and other recommendations that will be presented at the meeting.

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